

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
William F. Sherry
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: 9-13-05

Approved

Date

9/16/05

COUNCIL DISTRICT: Citywide

SUBJECT: REPORT ON BIDS AND AWARD OF CONTRACT, AND ADOPTION OF APPROPRIATION ORDINANCE RESOLUTION AMENDMENTS IN THE AIRPORT CAPITAL IMPROVEMENT FUND, THE AIRPORT RENEWAL AND REPLACEMENT FUND AND THE AIRPORT PASSENGER FACILITY CHARGE FUND FOR THE TAXIWAY Z ALIGNMENT, TAXIWAY Y RECONSTRUCTION AND UTILITY INFRASTRUCTURE PROJECTS.

RECOMMENDATION

- a. Report on bids and award of contract for the Norman Y. Mineta San José International Airport – Renzel Airfield Improvements 2005 Project to the low bidder, R & L Brosamer, Inc., in the amount of \$31,920,000 and approval of contingency in the amount of \$3,856,000.
- b. Adoption of the following Appropriation Ordinance Amendments in the Airport Capital Improvement Fund:
 1. Increase the Taxiway Z Alignment appropriation in the amount of \$1,812,000.
 2. Establish the Taxiway Y Reconstruction appropriation in the amount of \$11,942,000.
 3. Decrease the Ending Fund Balance by \$13,754,000.
- c. Adoption of the following Appropriation Ordinance Amendments in the Airport Renewal and Replacement Fund:
 1. Increase the Taxiway Z Alignment appropriation in the amount of \$473,000.
 2. Increase the Utility Infrastructure appropriation in the amount of \$606,000.
 3. Decrease the Ending Fund Balance by \$1,079,000.
- d. Adoption of the following Appropriation Ordinance Amendment in the Airport Passenger Facility Charge Fund:

1. Decrease the Taxiway Y Reconstruction appropriation by \$11,942,000.
2. Increase the Ending Fund Balance by \$11,942,000.

CEQA: Resolutions No. 67380 and 71451, PP 05-105

BACKGROUND

The City Council approved the updated Master Plan for the San José International Airport on June 10, 1997. The Master Plan includes projects to widen and strengthen existing taxiways Yankee (Y) and Zulu (Z) and associated crossing taxiways.

The Renzel Airfield Improvements Project 2005 includes the reconstruction of Taxiway Y between Taxiways B and L, the widening of Taxiway Z between Taxiways G and K, and the construction of a new storm drainage system (map attached). Taxiway Y is the primary north-south taxiway used by all air carriers to go from the terminal to the runways. It was designed and built about 40 years ago and is at the end of its useful life, deteriorating, and cannot support aircraft operations contemplated in the Airport Master Plan. The new taxiway will be built to current Federal Aviation Administration (FAA) standards and provide pavement of sufficient strength and durability to support aircraft operations contemplated in the Airport Master Plan. Taxiway Z needs to be widened to allow the larger aircraft parked at Terminal A to use Taxiway Z, thereby improving operational flexibility. The new storm drainage system will replace an existing storm drainage system that is in conflict with construction of the North Concourse Project.

The taxiways were previously scheduled in the Capital Improvement Program for reconstruction in FY 2006-2007. However, staff was able to secure a discretionary FAA grant in the amount of \$14,221,000 for this project by accelerating implementation of the project. Since this grant source is included as part of a larger FAA grant that will be recognized as part of the 2004-2005 Annual Report, the funding will be initially provided from the Airport Capital Improvement Fund Ending Fund Balance. Once these funds have been appropriated, the Airport Capital Improvement Fund will be replenished. This grant was approved after the City met the condition to have a valid bid by August 1, 2005. This was achieved using the following contracting strategy:

- Preparing preliminary plans and performance specifications suitable for bidding.
- Including the final design as a task in the construction contract to be performed by the contractor.
- Structuring the construction contract as a standard City contract to be awarded to the lowest responsible and responsive bidder.

MEASURE D APPLICATION: This project was considered by staff for implementation under the Design Build Charter Amendment (Measure D). Analysis indicated that the method described above would be the most effective way to deliver the project within the constraints defined by the FAA.

In addition, since this project is being partially funded by a federal grant, staff concluded that the project should be implemented using standard low bid contracting procedures.

PREQUALIFICATION: Due to the specialized experience required, a prequalification process was used to identify suitable contractors. The prequalification process is authorized under City Charter Section 1217, Paragraph (e)(4). The project followed standard state procedures for prequalification using a standardized scoring system to evaluate contractors. The Associated General Contractors (AGC) asked for a modification of some of these requirements on behalf of very large nation-wide contractors that might not qualify using this scoring system. Staff made a modification that allowed nation-wide contractors to use only their California experience to meet the prequalification requirements. Four of the five responding firms met the prequalification requirements based on their nation-wide experience. The sole firm that failed to qualify based on their nation-wide experience also failed to qualify using only their California experience. In this case the modified prequalification requirements did not alter the outcome.

CONSTRUCTION: In order to reconstruct Taxiway Y, Runway 30R will be shut down and used as a taxiway for a period of approximately eight months to allow construction to occur safely away from operational aircraft, as well as provide access for aircraft to and from the active runway. Airport staff does not anticipate any operational delays as a result of this shut down.

Runway 30R is used primarily for take-offs and these operations will shift to Runway 30L by approximately 700-ft to the west. As a result, localized noise impacts will shift west away from the Rosemary Gardens neighborhood. The Airport's Neighborhood Services Group will conduct an outreach program to inform the adjacent community of the project and the potential noise impacts. No other noise impacts are anticipated since the existing flight path will not change as a result of this project.

ANALYSIS

The bids were opened on July 21, 2005 with the following results:

<u>Contractor</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Kiewit Pacific Co. (Vancouver, WA)	\$40,042,000	\$6,088,628	18
RGW Construction Inc. (Livermore)	\$35,799,900	\$1,846,528	5
FCI Constructors, Inc. & DeSilva Gates Construction Team (Benicia/Dublin)	\$35,140,000	\$1,186,628	3
Engineer's Estimate	\$33,953,372	---	
R & L Brosamer, Inc. (Alamo)	\$31,920,000	(\$2,033,372)	(6)

The low bid submitted by R & L Brosamer, Inc. is 6 percent below the Engineer's Estimate. Staff considers the bid reasonable for the work involved in this project. The contract amount includes a construction amount and a professional services component to complete the design.

In accordance with Federal Regulations, 49 CFR part 26 and Resolution No. 69095, a Disadvantaged Business Enterprise (DBE) goal of 5 percent was established for this project. R & L Brosamer, Inc. met the DBE goal and attained 5 percent DBE participation. A 12 percent contingency is requested for this project. Underground utilities are an important and time sensitive portion of the work. In addition, the project is located in the airfield, involves the shutdown of a primary runway, and is subject to scope changes during design completion. The project is also subject to changing security requirements, which requires coordination with the Transportation Security Administration (TSA) and the FAA. For these reasons, it is requested that 12 percent contingency be approved.

OUTCOME

Award of the construction contract to R&L Brosamer, Inc. will enable the Renzel Airfield Improvements 2005 Project and the Airport Master Plan to proceed. Approval of the 12 percent contingency will allow funding for unforeseen conditions encountered during the contractors design phase of the Design-Build project and during construction of the project.

PUBLIC OUTREACH

The Request for Prequalification Submittals was listed on the Airport Master plan web page, the City's Internet bid line, and advertised in the *San Jose Post Record*.

AIRPORT MASTER PLAN CONSISTENCY

The San José Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The Taxiway Y reconstruction is expressly identified in the Master Plan as Project "A-29", thereby complying with Municipal Code Section 25.04.210(B)(1); the Taxiway Z widening/realignment is a minor alteration of an existing facility, thereby complying with Municipal Code Section 25.04.210(B)(4); and the storm sewer relocation is a necessary component of the Central Terminal construction program expressly identified in the Master Plan as Project "T-5", thereby complying with Municipal Code Section 25.04.210(B)(2).

COORDINATION

This project has been coordinated with the City Attorney's Office, the City Manager's Budget Office and the Department of Planning, Building and Code Enforcement.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$31,920,000

2. COST OF PROJECT:

Project Delivery	\$ 8,937,248
Construction	31,920,000
Contingency	<u>3,856,000</u>
TOTAL PROJECT COSTS:	\$44,713,248
Prior Year Expenditures	(\$1,657,791)
REMAINING PROJECT COSTS	\$43,055,457

3. SOURCE OF FUNDING: 520 - Airport Capital Improvement Fund
526 - Airport Revenue Bond Improvement Fund
527 - Airport Renewal And Replacement Fund
529 - Airport Passenger Facility Charge Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt for Project	Estimated Contract Amount	2005-2006 Proposed Capital Budget (page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs				\$43,055,457			
Current Funding Available							
526 (522)	4712	Utility Infrastructure	\$8,600,000	\$5,936,732	\$4,923,038	N/A	6/21/05, MBA #60*
527	4712	Utility Infrastructure	\$690,000	\$538,761	\$446,768	V-34	6/21/05, MBA #60*
529	4635	Taxiway Y Reconstruction	\$38,329,000	\$20,929,964	\$20,929,964	V-45	6/21/05, MBA #60*

HONORABLE MAYOR AND CITY COUNCIL

9-13-05

Subject: Renzel Airfield Improvements 2005 Project

Page 6

Fund #	Appn #	Appn. Name	Total Appn	Amt for Project	Estimated Contract Amount	2005-2006 Proposed Capital Budget (page)	Last Budget Action (Date, Ord. No.)
520	5496	Taxiway Z Alignment**	\$745,000	\$745,000	\$2,291,780	V-46	6/21/05, MBA #60*
527	5496	Taxiway Z Alignment**	\$72,000	\$72,000	\$0	V-46	6/21/05, MBA #60*
Total Current Funding Available			\$48,436,000	\$28,222,457	\$28,591,550		
Additional Funding Recommended							
520	7999	Ending Fund Balance**	\$32,182,410	\$13,754,000	\$3,328,450		
527	7999	Ending Fund Balance**	\$2,402,519	\$1,079,000			
Total Additional Funding Recommended				\$14,833,000			
Total Remaining Project Funding				\$43,055,457	\$31,920,000		

* The 2005-2006 Adopted Capital Budget for these projects include rebudgets that were approved by City Council on June 21, 2005.

** Appropriation ordinance amendments to appropriate applicable portions of a grant received from the Federal Aviation Administration are recommended as part of this memorandum. In Fund 520, \$13,754,000 from the Ending Fund Balance will be allocated to the following projects: Taxiway Z Alignment (\$1,812,000- all of which will be used for the construction contract) and Taxiway Y Reconstruction (\$11,942,000- of which \$3,328,450 will be allocated to the construction contract). In Fund 527, \$1,079,000 from the Ending Fund Balance will be allocated to the Taxiway Z Alignment (\$473,000) and Utility Infrastructure (\$606,000) projects.

HONORABLE MAYOR AND CITY COUNCIL

9-13-05

Subject: Renzel Airfield Improvements 2005 Project

Page 7

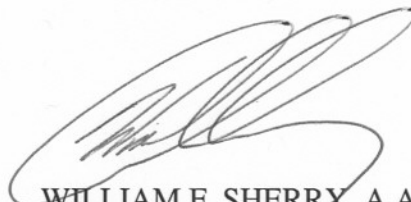
CEQA

Resolutions No. 67380 and 71451, PP 05-105




KATY ALLEN

Director, Public Works Department



WILLIAM F. SHERRY, A.A.E.

Director of Aviation
Airport Department



LARRY D. LISENBEE

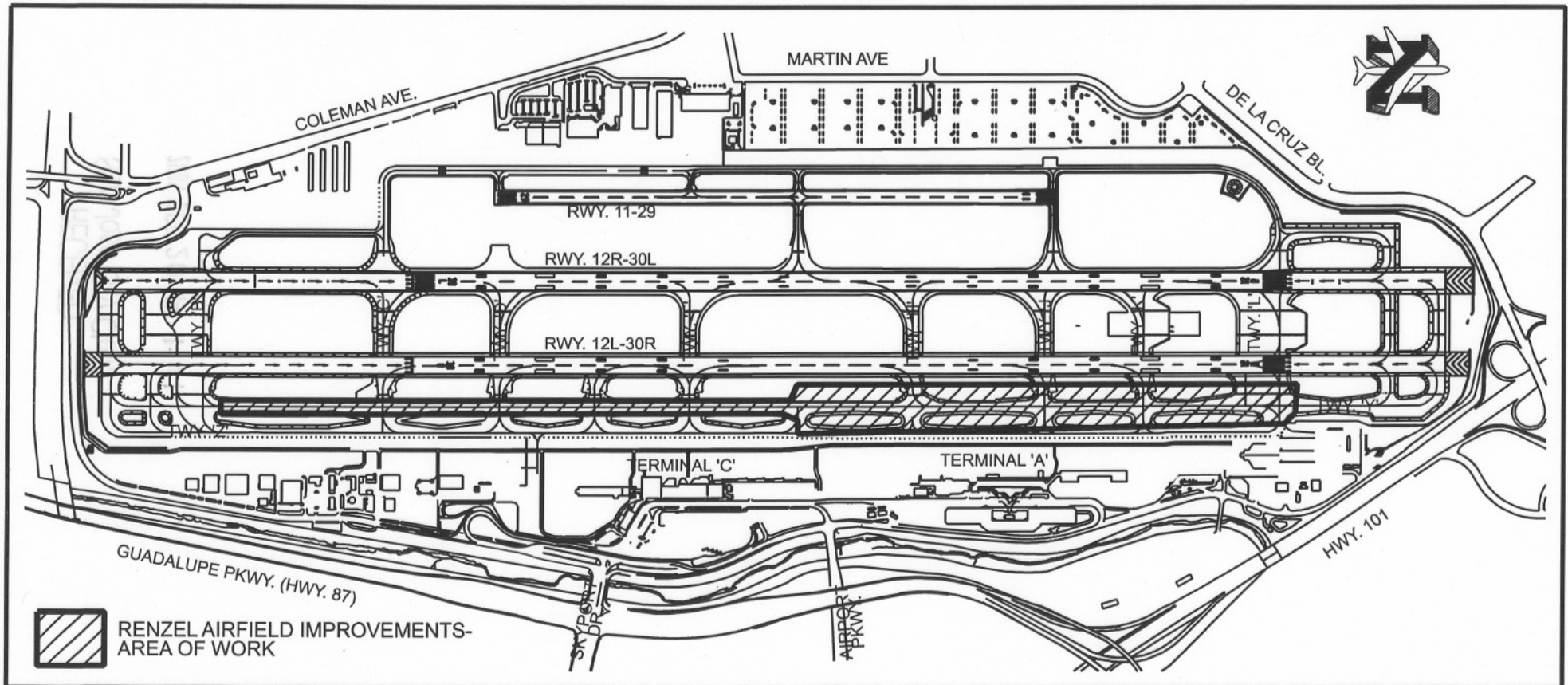
Budget Director

TSF:hs

Attachment

NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

RENZEL AIRFIELD IMPROVEMENTS 2005



LOCATION MAP